City of Los Angeles Department of Cannabis Regulation Proposition 64 Public Health and Safety Grant Program Local Evaluation Plan

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Project Background

In January 2021, the City of Los Angeles Department of Cannabis Regulation (DCR) responded to a Public Health and Safety Grant Program solicitation created by the Adult Use of Marijuana Act and administered by the California Board of State and Community Corrections (BSCC). In April 2021, DCR was awarded one million dollars over a three-year term to assist local programming intended to address the impact of the legalization of adult-use cannabis. To address the impact of cannabis legalization, the proposal submitted by DCR funds three interconnected projects that meet three Project Purpose Areas (PPAs) identified in the BSCC solicitation. The projects proposed by DCR, funded by the BSCC grant include; the development and implementation of a Public Information Campaign (PIC) to address a limited amount of available information regarding how to identify and report illicit cannabis retailers, how to identify licensed cannabis retailers, the dangers associated with the use of cannabis procured through the illicit market, and the dangers associated with underage use of cannabis; the development and publishing of an enforcement analysis to further the development of equity centered policies and enforcement strategies that are sensitive to and address prior disparities in cannabis enforcement; and supporting positions that coordinate the implementation of the City's progressive cannabis enforcement strategy, enabling a coordinated enforcement effort across city departments that aligns with the City's goals of equitable market development and enforcement. Programming implemented in these projects are intended to meet PPA 1: Youth Development / Youth Prevention and Intervention, PPA 2: Public Health, and PPA 3: Public Safety.

Project Areas

Public Information Campaign

DCR shall retain a vendor to develop and implement a PIC. The PIC will have two specific target demographics with similar messaging goals. The first target demographic is minors (21 years of age and younger) within the City of Los Angeles. This group will receive messaging intended to deter cannabis use by informing them of the dangers associated with consuming cannabis at a young age. This messaging is anticipated to be distributed via social media outlets, local television and key stakeholders. This component of DCR's grant proposal meets the required PPA 1 criteria.

The second group to be targeted by the PIC are adult cannabis consumers within the City of Los Angeles. Messaging targeting this group is intended to inform them of the dangers associated with consuming cannabis procured through the illicit market, how to identify a

licensed cannabis retailer in the City of Los Angeles, and how to report suspected illegal or non-compliant cannabis activity. The messaging is anticipated to be distributed through social media, local television, supporting printed collateral materials and key stakeholders. This component of DCR's grant proposal meets PPAs 2 and 3.

Enforcement Analysis

The City of Los Angeles has incorporated equity into the core of its cannabis licensing regulations through the City's Social Equity Program (SEP). Adopted by the City Council in December 2017, the goal of the SEP is to promote equitable ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities, and to address the disproportionate impacts of the War on Drugs in these communities. The Social Equity Program was informed by a cannabis equity analysis report that examined multiple cannabis enforcement-related variables across the city to determine the qualifying criteria for the SEP. This initial cannabis equity analysis report was adopted by the City Council in December 2017. An expanded cannabis equity analysis report evaluating additional communities and providing a comparative analysis by Police Reporting Districts in addition to examining the effects of gang injunctions with respect to the War on Drugs was adopted by the City Council in July 2020. While these analyses were conducted to identify and address past inequities and harms associated with past cannabis enforcement policies there is at present a need to more comprehensively identify inequities and disparities that may exist as a result of existing cannabis enforcement policies regarding both personal and commercial cannabis activity.

The enforcement analysis will serve as both a follow up to the existing cannabis equity analyses and as a vital analysis of current data that will help to inform the progressive cannabis enforcement strategy presently being developed, refined, and implemented. The enforcement analysis is intended to be a more in depth examination of the effects of enforcement detailed through insights gleaned from LAPD data as well as data provided by other City departments with a role in enforcement. Enduring disparities in cannabis enforcement will be highlighted, which will inform future SEP program criteria as well as progressive enforcement strategies that are developed and implemented. This component of DCR's grant proposal meets PPA 3.

Departmental Data Sharing / Progressive Enforcement Strategy

The Los Angeles Mayor's Office of Public Safety has established a Cannabis Enforcement Task Force whose membership is composed of City departments with a role in the progressive enforcement strategy. This includes, but is not limited to, DCR, the City Attorney, LAPD, the Department of Building and Safety, and others. This task force is

primarily focused on police enforcement actions for offenders demonstrating resistance to entering into licensed and compliant operations. Funding from DCR's grant proposal will be used to support enforcement tools to bring operators into compliance and establish data flows between departments charged with enforcement, such as LAPD and the City Attorney's Office, to help examine the efficacy of enforcement actions and design a progressive enforcement strategy.

As an example, grant funding may be used to support a pilot program where independent administrative hearing officers are needed to conduct and make decisions on appeals related to padlocking and barricading premises of unlicensed commercial cannabis operators. Once the initial padlock pilot locations have received enforcement actions, DCR, LAPD, the City Attorney, and the Department of Building and Safety will be able to collect data indicating how effective the padlocking enforcement action was in preventing unlicensed cannabis business activity at that location and in the immediate area surrounding the padlocked location. DCR will further utilize grant funding to analyze and maintain the collected data. This data will then either inform future appropriations to continue funding the piloted program, used to further refine the program or explore alternative enforcement actions. This component of DCR's grant proposal meets PPA 2 and 3.

Program Component Evaluation

Component 1: Public Information Campaign

DCR will issue a Request for Proposals (RFP) to retain a vendor to design and implement the Public Information Campaign. However, the selection of a consultant and execution of its contract may take up to a year to complete. After DCR selects and consults with its vendor, performance metrics will be provided to update the Grant Evaluation Plan. This PIC will include, for the first time, citywide messaging on how to identify and evaluate legal cannabis activity. At this time DCR has no baseline to establish acceptable metrics for outcome variables like number of enforcement or compliance actions taken or acceptable rates of change in public awareness. It is anticipated that the results of this PIC will serve as a baseline for future PICs and other public engagement assessments.

The vendor tasked with designing and implementing the PIC will perform multiple actions intended to track and evaluate the performance of the PIC. Surveying will be utilized after PIC material has been distributed to both identify the demographic data of the PIC consumer as well estimate the effectiveness of PIC material. This data will then be compared with the intended target demographics and will inform future outreach strategies. As per the PPA 1 grant requirement, individuals under the age of 18 years old in the City will be a

targeted demographic with information intended to discourage cannabis consumption and information about how to report any licensed or unlicensed retailers who may be attempting to engage in felony cannabis sales to minors. Key performance metrics indicating effectiveness, in addition to surveying, will be LAPD and DCR enforcement actions within a reasonable radius of schools, parks, locations offering youth services and programming, and other locations where the target demographic regularly congregates.

The PIC will also target demographics identified in the County of Los Angeles Public Health Department Cannabis Regulation Health Impact Assessment that utilized rigorous criteria and research to identify communities negatively impacted by a disproportionate concentration of unlicensed cannabis retailers. Communities identified included persons identifying as Latin and African American. Additionally, areas with consumers who are very price sensitive, which correlated strongly with lower income areas of the City, were more likely to be adversely impacted by unlicensed cannabis retailers. A second component of the PIC will target adult cannabis consumers with information related to the dangers inherent to the consumption of cannabis sourced from the unlicensed market, how to identify a licensed location, and how to report suspected unlicensed or non-compliant cannabis activity.

PIC effectiveness will be evaluated through voluntary surveys created and issued by the PIC vendor to persons who have engaged with PIC material. Responses to questions asking about knowledge about the potential harms of using cannabis from unlicensed businesses before and after viewing PIC materials will be utilized to assess the impact of PIC material. Basic summary statistics and simple multivariate regression analysis of responses can be utilized to identify the most impactful components of the PIC and identify which PIC targets are responding best to presented PIC information. This will be used to refine the PIC and emphasize the use of information and material that resonates with the public. Participants will also be asked to self-assess knowledge before and after PIC consumption regarding the dangers of the illicit market, how to identify licensed cannabis retailers, and how to report illicit operators. DCR will utilize incoming data from these PIC evaluations and again subject them to summary statistics and regression analysis to determine if messaging needs to be adjusted to increase understanding of the PIC goals. DCR will work with the PIC vendor to determine acceptable rates and values for consumers understanding the messaging and self-reporting changes in knowledge. Additionally, DCR will work with LAPD and other enforcement agencies to collect enforcement data in areas of the City with concentrations of the target demographics to identify any changes in reports of unlicensed or non-compliant cannabis business activity and enforcement actions against unlicensed or non-compliant cannabis operators. Further, the PIC vendor and DCR will work to collect direct feedback and statements from targeted demographics to assess and potentially refine PIC materials and information.

Component 2: Enforcement Analysis

Please note, DCR is currently working to engage with a research partner as a subject matter expert to conduct the enforcement analysis. Specific metrics reported in the analysis will be added as subject matter experts are retained and provide feedback on the enforcement analysis project and as data flows are established with other City departments.

The research partner for the analysis is a university who will employ the work of graduate students under the guidance of a faculty advisor. The development process of the analysis will be overseen by DCR and the faculty advisor to ensure the proper data is being collected, relevant insights are drawn, and correct metrics are reported. Monthly or bi-monthly meetings will be scheduled with the research partner where the current analysis draft will be presented, and feedback provided for the next revision.

The analysis itself will utilize data obtained through partnerships with other City departments involved in cannabis enforcement. Initially the report will update the existing analyses used to inform the creation of the Social Equity Program. This will involve examining cannabis related arrest rates, calls for service, citations issued, and other data points provided by the LAPD on the Police Reporting District unit of scale. After establishing this baseline picture of enforcement in the City, the analysis will examine if data exists to create a complete timeline of these metrics to 2017 to capture enforcement trends for individual Police Reporting Districts that are capable of identifying potential enforcement structural breaks like the enactment of Proposition 64 in January 2018 and the various phases of cannabis business licensing in the City. Additionally, more metrics will be added including any available LAPD demographic data, which includes any available race and ethnicity data, associated with cannabis enforcement actions and other relevant metrics that may become apparent after a review of available data. Following this, data from other City departments will be gathered and incorporated to form a more complete picture of cannabis enforcement in the City, beginning with DCR. By combining licensing data from DCR with LAPD enforcement, data insights can be made into the impacts regulated cannabis has on illicit cannabis enforcement as well as general crime rates and calls for service. Additionally, reporting from departments like the Office of the City Attorney, the Department of Building and Safety, and the Department of Water and Power can reveal the efficacy of programs that use alternative enforcement measures centered in education like the issuance of administrative citations to illicit market employees, the issuance of cease and desist letters to landlords and property owners of locations associated with unlicensed cannabis activity, shutting off utility services at unlicensed cannabis business locations, and padlocking or barricading unlicensed dispensary sites in addressing unlicensed cannabis sales. Collecting all of this data, comprehensively and in the context of each data set will allow DCR and other

departments to gain insights into who is receiving cannabis enforcement actions in the city and if disparities continue to exist in enforcement after years of licensed market operations.

Finally, this Enforcement Analysis will serve to formalize the flow of data from other departments and establish DCR as the City department that holds this data for public access and use. Further, these data flows will aid the creation of an internal enforcement data dashboard as well as produce an academically rigorous study of cannabis enforcement in the City of Los Angeles detailing how cannabis legalization has impacted the City's enforcement strategy and inequities that still exist in outcomes associated with the City's current enforcement model; this will allow the City to not only identify and address inequities and harms associated with past cannabis enforcement policies, but also to identify and address inequities in existing cannabis enforcement policies and prevent inequities in future cannabis enforcement policies.

Component 3: Departmental Data Sharing / Progressive Enforcement Strategy

Please note, since the passage of Proposition 64 in 2016 and the creation of a licensed adult-use cannabis market in 2018, cannabis enforcement in the City of Los Angeles has and is still undergoing a radical transformation from a strategy born of the War on Drugs into one that centers equity and education at its core. As such, the progressive enforcement strategy being implemented by the City is one that is informed by and responsive to data as well as open to piloting new enforcement programming from other jurisdictions also exploring what cannabis enforcement looks like in a regulated market environment. Given the novelty of this emerging market, the data being generated by and collected from other departments may not yet be in existence but may become a vital enforcement metric by the conclusion of the grant period. As many enforcement actions being undertaken in the current enforcement strategy are the first of their kind, there is no prior data to rely upon to assess effectiveness of the enforcement action. Assessments of enforcement actions will be based on informed expert opinions to decide if the enforcement action is an effective use of funding or not and generally inform the City's efforts to center-equity in cannabis policies and likewise promote policies that are economic, efficient, and effective.

DCR will utilize grant funding to fund overtime or other expenses in City departments with a role in the Progressive Enforcement Strategy, like LAPD, to ensure data collection regarding cannabis enforcement is being adequately collected and shared. Grant funding will also be utilized to implement first time Progressive Enforcement Strategy features that have not been funded by a City budget appropriation. Funding these enforcement features will ensure DCR has access to baseline data for program evaluation like the number of enforcement actions taken, the number of administrative hearings held related to enforcement actions and follow up investigations that reveal long term effectiveness of the

new program feature. These data will allow insights to be made into the overall effectiveness of Progressive Enforcement Strategy actions and if they should be revised to increase efficacy or be fully funded in the next City budget.

Additionally, grant funding will be utilized to fund staff time in other departments to ensure enforcement data are collected and reported to DCR regularly. This data will be reported at regular intervals and aid in both the Enforcement Analysis and a general assessment of enforcement efficacy.

Data Management

DCR will be the repository of all data provided by the PIC vendor, research partner, and other City departments. Data will be stored in a secure, controlled access drive. All data provided to research partners will be anonymized to remove any personal identifying information or information that may impact active or ongoing police or administrative investigations. While the PIC is being developed and implemented, the PIC vendor will be responsible for collecting, securely storing, and transmitting relevant data, including demographic and evaluation data to DCR.

Project Management

Public Information Campaign

Once selected, the PIC Vendor will have at least bi-weekly meetings with DCR to provide updates on the development, implementation, and evaluation of the PIC. As the PIC is being developed and implemented, additional meetings and reports may be called for as needed to review progress, plan next steps, and review developed materials.

Enforcement Analysis

DCR will engage with the research partner performing the enforcement analysis on a scheduled monthly basis with availability for as needed weekly meetings to ensure proper metrics are being reported upon and data from other City departments is being provided. To facilitate data sharing, DCR may act as a liaison between the research partner and other city departments in scheduling meetings and other interactions to facilitate proper data sharing and collection.

Departmental Data Sharing / Progressive Enforcement Strategy

DCR is currently engaged in regular bimonthly meetings of the Mayor's Office of Public Safety Cannabis Enforcement Task Force with these regularly scheduled meetings occurring indefinitely. At these meetings DCR will collect and share data, reports, evaluations, and other information related to the progressive enforcement strategy and identify potential partners for future data collection as well as develop potential novel enforcement actions. These regular meetings will serve as the main City department interaction with data and enforcement strategy partners and provide the opportunity to schedule as needed departmental or issue specific meetings beyond the established frequency.

Evaluation Timeline and Reporting

Quarterly Progress Reporting: DCR will submit BSCC required Quarterly Progress Reports according to BSCC provided standards and guidelines.

Public Information Campaign

At the conclusion of PIC project milestones (PIC messaging development, media creation, implementation, and evaluation) DCR will present the progress and impacts of the current PIC phase to relevant City departments upon request. DCR staff and evaluators will regularly review data provided by the PIC vendor at regular meetings to ensure adherence to project timelines and standards. The project is expected to begin development following the completion of a competitive selection process in Q2/Q3 of 2022. Following selection, the vendor will develop the PIC during the remainder of 2022 and implement the PIC in Q1 of 2023 and conclude in Q3/Q4 of 2023.

Enforcement Analysis

DCR will provide current iterations of the enforcement analysis as they are provided to other city departments upon request. Agreements are expected to be finalized with the research partner in Q3 of 2022 with research and data collection commencing shortly thereafter. The first project development meeting between DCR and the research partner is anticipated to be scheduled in Q4 2022 and continue throughout the life of the grant. The final report is expected to be presented to DCR between Q3 2023 and Q4 2024.

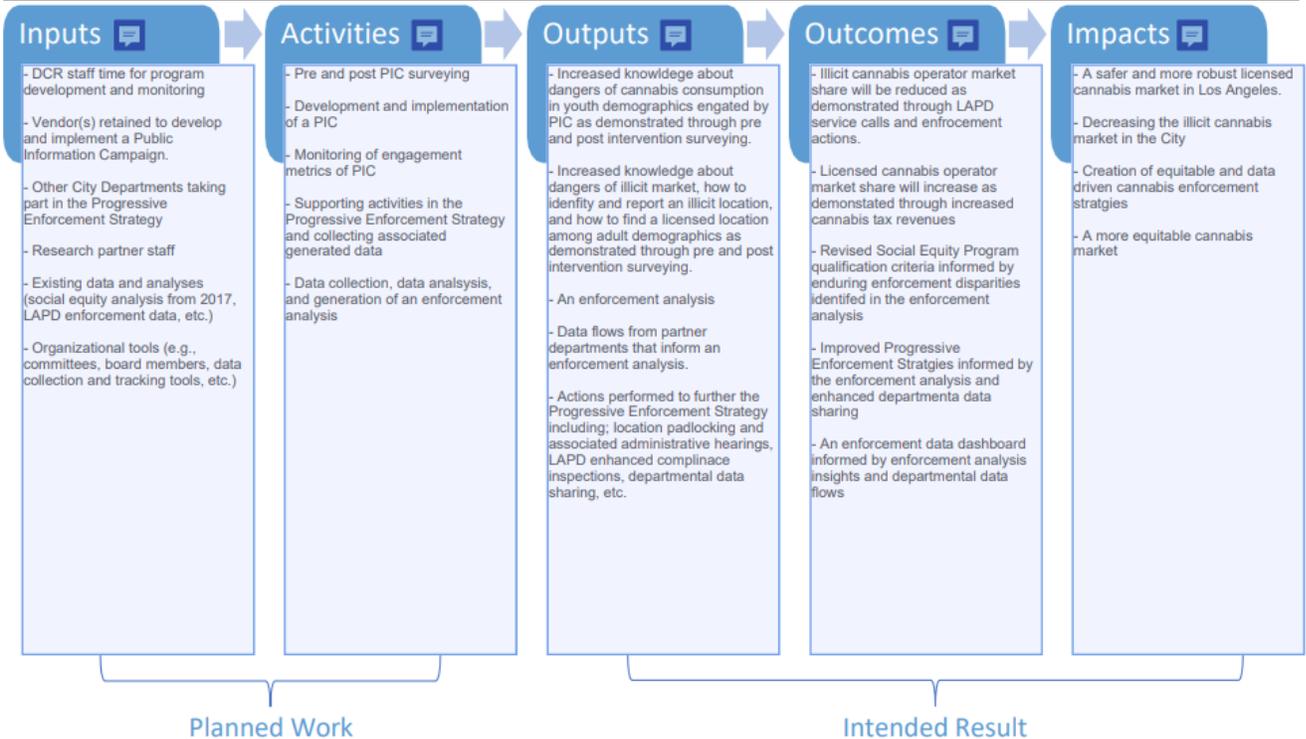**Departmental Data Sharing / Progressive Enforcement Strategy**

DCR will provide regular updates to other members of the progressive enforcement strategy at regularly scheduled meetings. Data collection activities are anticipated to begin in Q3 2021 as are novel enforcement actions in the progressive enforcement strategy. Data collection and enforcement actions will continue throughout the life of the grant.

Appendix A
Logic Model

Project Goals:

Goal 1:	Develop and implement a Public Information Campaign (PIC).
Goal 2:	Partner with a research partner to perform an enforcement anlaysis.
Goal 3:	Collect data from city partners and support the City's Progressive Enforcement Stragety

Inputs

- DCR staff time for program development and monitoring

- Vendor(s) retained to develop and implement a Public Information Campaign.

- Other City Departments taking part in the Progressive Enforcement Strategy

- Research partner staff

- Existing data and analyses (social equity analysis from 2017, LAPD enforcement data, etc.)

- Organizational tools (e.g., committees, board members, data collection and tracking tools, etc.)

Activities

- Pre and post PIC surveying

- Development and implementation of a PIC

- Monitoring of engagement metrics of PIC

- Supporting activities in the Progressive Enforcement Strategy and collecting associated generated data

- Data collection, data analsysis, and generation of an enforcement analysis

Outputs

- Increased knowldege about dangers of cannabis consumption in youth demographics engated by PIC as demonstrated through pre and post intervention surveying.

- Increased knowledge about dangers of illicit market, how to identify and report an illicit location, and how to find a licensed location among adult demographics as demonstrated through pre and post intervention surveying.

- An enforcement analysis

- Data flows from partner departments that inform an enforcement analysis.

- Actions performed to further the Progressive Enforcement Strategy including; location padlocking and associated administrative hearings, LAPD enhanced complinace inspections, departmental data sharing, etc.

Outcomes

- Illicit cannabis operator market share will be reduced as demonstrated through LAPD service calls and enfrocement actions.

- Licensed cannabis operator market share will increase as demonstated through increased cannabis tax revenues

- Revised Social Equity Program qualification criteria informed by enduring enforcement disparities identifed in the enforcement analysis

- Improved Progressive Enforcement Stratgies informed by the enforcement analysis and enhanced departmenta data sharing

- An enforcement data dashboard informed by enforcement analysis insights and departmental data flows

Impacts

- A safer and more robust licensed cannabis market in Los Angeles.

- Decreasing the illicit cannabis market in the City

- Creation of equitable and data driven cannabis enforcement stratgies

- A more equitable cannabis market

Planned Work

Intended Result

Appendix B
Cannabis Social Equity Analysis Report

Included here is a link to the Cannabis Social Equity Analysis Report performed by Amec Foster Wheeler Environment & Infrastructure Solutions, Inc., submitted to the Los Angeles City Council on October 18, 2017. Due to the file size of the report a link is being provided in lieu of a copy of the report itself. Link to the Cannabis Social Equity Analysis Report.

Appendix C
Expanded Cannabis Social Equity Analysis Report

Included here is a link to the Expanded Cannabis Social Equity Analysis Report performed by Wood Environment & Infrastructure Solutions, Inc. (formerly Amec Foster Wheeler Environment & Infrastructure Inc.), submitted to the Los Angeles City Council by the Department of Cannabis Regulation on June 16, 2020. Due to the file size of the report a link is being provided in lieu of a copy of the report itself. Link to Expanded Cannabis Social Equity Analysis.

Appendix D
Health Equity Implications of Retail Cannabis Regulation in Los Angeles County

Included here is a link to the Health Equity Implications of Retail Cannabis Regulation in Los Angeles County produced by the County of Los Angeles Department of Public Health Center for Health Impact Evaluation. Data included in it is intended to serve as a source to help develop demographic targets for the Public Information Campaign. Due to the file size of the document a link to the evaluation is being provided in lieu of a copy of the document. Link to Health Equity Implications of Retail Cannabis Regulation in Los Angeles County.